

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: JUNE 17, 2009

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: BILL ARENT, ACTING

SUBJECT:

RESOLUTIONS:

RA-11-2009 - Discussion and possible action regarding a Resolution authorizing the issuance of the Taxable Tax Increment Subordinate Lien Note from the Redevelopment Agency (RDA) to WMCV Phase 3, LLC, (World Market Center), located at 455 South Grand Central Parkway, and providing for all matters related thereto (\$12,321,620 - RDA Special Revenue Fund) - Ward 5 (Barlow)

Fiscal Impact

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No Impact

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Augmentation Required

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Budget Funds Available

Amount: \$12,321,620

Funding Source: RDA Special Revenue Fund

Dept./Division: OBD/RDA

PURPOSE/BACKGROUND:

The RDA entered into an Owner Participation Agreement (OPA) on September 18, 2002, to provide Tax Increment Financing (TIF) to compensate for public improvements constructed by World Market Center as part of the project. Taxable tax increment subordinate lien notes have been issued on the first and second completed building. The third building is now complete. Staff has determined that the developer is in compliance with the terms and conditions of the Owner Participation Agreement. The term of this note is for the remaining term of the original Note, which is June 2025. The principal amount of the Note for the third building has been calculated to be \$12,321,620 with an annual payment of \$1,215,096 paid from Available Accrued Taxes from the Project. Approval of the original OPA by Council in 2002 allows the TIF Note process for this project to move forward.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Resolution RA-11-2009
2. Disclosure of Principals
3. Site Map
4. Submitted after Meeting – Executed Taxable Tax Increment Subordinate Lien Note

Motion made by GARY REESE to Approve

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Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1

DAVID W. STEINMAN, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-RICKI Y. BARLOW)

Minutes:

BILL ARENT, Acting Operations Officer of the Redevelopment Agency (RDA), stated that the approved Owner Participation Agreement pledged to rebate 41 percent of the new taxes generated by the World Market Center project back to the developer. The note will approve the issuance with an annual payment of \$1,215,096 for a total of the \$12,321,620. This would only be the revenue generated by this project.

JOHN LELEU, General Counsel for World Market Center, 495 South Grand Central Parkway, thanked staff for their favorable recommendation.

MEMBER WOLFSON asked MR. ARENT to explain the purpose of this item. MR. ARENT replied the TIF program allows the RDA to rebate a portion of the property taxes received for the property after completion. It is an owner-participation agreement because the project is privately owned. The program is offered as an incentive to attract additional investment in the City and is a net fiscal positive for the City.

MEMBER WOLFSON verified that the RDA tax distribution formula is set by the State of Nevada Legislature and noted 18 percent of the tax is dedicated to affordable housing. MEMBER WOLFSON pointed out that without the incentive, the developer would not have built this project.